

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 PM-07 NSC-10 SPC-03 SAM-01 SS-20 RSC-01

AID-20 CCO-00 OC-06 CIAE-00 INR-10 NSAE-00 L-03 IGA-02

OCL-00 EB-11 OMB-01 TRSE-00 H-03 DRC-01 /118 W

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P R 051300Z FEB 74

FM AMCONSUL ASMARA

TO SECSTATE WASHDC PRIORITY 2472

AMEMBASSY ADDIS ABABA PRIORITY

INFO SECDEF WASHDC

NAVCOMMTELCOM WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 ASMARA 0068

E.O. 11652: GDS

TAGS: PFOR, MARR, ET, US

SUBJECT: KAGNEW STATION

REF: A. STATE 020345

B. ASMARA 048

C. STATE 018982

D. ADDIS ABABA 0993

E. ASMARA 047

1. ASMARA WORKING GROUP HELD FIRST FORMAL MEETING AFTERNOON FEB. 4, 1974. IN ATTENDANCE WERE VICE MINISTER FOR FOREIGN AFFAIRS SOLOMON TECLE, ASSISTANT GOVERNOR GENERAL MEDHANIE JOSEPH, COMPTROLLER OF ERITREA FETENE TESHOME, AND SECOND DIVISION CHIEF OF STAFF COLONEL ASSRES (BRIGADIER GENERAL SAHLU WAS ILL), AND, ON THE AMERICAN SIDE, COMMANDER NOGGLE, LCDR STEEN, LT. PRINGLE, VICE CONSUL PERRY, AND MYSELF. AGENDA ADDRESSED WAS THAT INDICATED IN REF (B).

2. IN ACCORDANCE WITH REF (A), I INFORMED GROUP THAT USG IS PREPARED TO TURN OVER MOVABLE AND NON-MOVABLE PROPERTY AT TRACTS A, F, AND H, BUT THAT FORMAL TRANSFER HAS BEEN DELAYED PENDING REVIEW OF APPROPRIATE PROCEDURES IN WASHINGTON. I
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EXPLAINED THERE ARE COMPLEX REGULATIONS APPLICABLE TO TRANSFER

OF SURPLUS PROPERTY, WITH TRANSFER OF MILITARY PROPERTY NORMALLY PROCESSED THROUGH MAAG AND TRANSFER OF NON-MILITARY PROPERTY THROUGH AID. I SAID THAT TO FACILITATE PROCEDURAL ASPECTS CONGEN HAD BEEN REQUESTED TO INFORM DEPT (PARA 3 OF REF (A)) OF PURPOSES FOR WHICH TRACT A MOVABLE PROPERTY WOULD BE INTENDED, THAT IS, SHOULD TRACT A MOVABLE PROPERTY BE REGARDED AS MILITARY OR NON-MILITARY. THIS LED TO DISCUSSION OF CRITERIA FOR IDENTIFYING WHETHER PROPERTY SHOULD BE REGARDED AS MILITARY OR NON-MILITARY, AND WHETHER ANSWER SHOULD HINGE ON "INTENDED USE" OF PROPERTY OR ON ITS "INHERENT NATURE". FOR EXAMPLE, IF FURNITURE AT TRACT A IS TO BE USED BY MILITARY ELEMENTS MAY PROPERTY BE IDENTIFIED PROPERLY AS MILITARY, OR IF IT IS TO BE USED BY CIVILIAN ELEMENT, MAY IT BE IDENTIFIED PROPERLY AS NON-MILITARY. VICE MINISTER SOLOMON POINTED OUT THAT TERMS OF REFERENCE ISSUED TO ETHIOPIAN MEMBERS OF WORKING GROUP WERE LIMITED MERELY TO THE TRANSFER AND ACCEPTANCE OF MOVABLE AND IMMOVABLE PROPERTY FROM THE USG TO IEG, AND THAT WORKING GROUP HERE WAS NOT AUTHORIZED TO DETERMINE ULTIMATE USE OF ANY PROPERTY SO TRANSFERRED. HE SAID AFTER PROPERTY IS TRANSFERRED FROM USG TO IEG THROUGH WORKING GROUP, DETERMINATION FOR DISPOSITION AND USE OF PROPERTY BY IEG WOULD BE DETERMINED BY AUTHORITIES AT ADDIS ABABA. MEDHANIE JOSEPH SAID DECISIONS IN THIS REGARD ALSO CONCEIVABLY COULD BE SUBJECT TO CHANGE. FOR EXAMPLE, AUTHORITIES AT ADDIS ABABA MIGHT DECIDE TO MAKE PROPERTY AVAILABLE TO MILITARY OR NON-MILITARY IEG ELEMENT, AND SUBSEQUENTLY MIGHT CHANGE DECISION.

3. VICE MINISTER SOLOMON SAID IEG NORMALLY WOULD NOT MAKE DECISION RELEVANT TO ULTIMATE DISPOSITION OF PROPERTY UNTIL SUCH TIME AS PROPERTY IS ACTUALLY TRANSFERRED FROM USG TO IEG. HOWEVER, HE SAID THAT IF I WOULD FURNISH HIM WITH INVENTORY OF MOVABLE PROPERTY AT TRACT A, IEG, ON BASIS OF INFORMATION CONCERNING INVENTORY DESCRIPTION OF PROPERTY, MIGHT BE ABLE TO COME TO DECISION WHETHER IT WOULD BE REGARDED AS MILITARY OR NON-MILITARY.

4. FYI AS INDICATED IN REF (E), DEFENSE PROPERTY DISPOSAL OFFICE AT KAGNEW STATION HAS FORMALLY TRANSFERRED ALL MOVABLE PROPERTY AT TRACT A TO USAID/AMCONGEN BY MEANS
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OF DOD FORM DD1149, EXECUTED ON JAN 18, 1974. ACCORDINGLY, I ASSUME TRACT A FURNITURE AND FURNISHINGS HAVE EFFECTIVELY BEEN TRANSFERRED TO USAID/AMCONGEN. TO AVOID FURTHER DELAY IN TRANSFER TO IEG, AND TO AVOID INVOLVEMENT IN ANY COMPETITION THAT MAY DEVELOP BETWEEN CIVILIAN AND MILITARY ELEMENTS OF IEG FOR PROPERTY, I RECOMMEND ME AND IMMOVABLE PROPERTY BE TRANSFERRED AS SOON AS POSSIBLE FROM USG TO IEG THROUGH USAID. END FYI.

5. MEANWHILE, TO FACILITATE RESOLUTION OF PROBLEM AND AT SPECIFIC REQUEST OF VICE MINISTER SOLOMON, I AGREED TO PROVIDE HIM WITH COPY OF INVENTORY OF TRACT A FURNITURE AND FURNISHINGS ON UNDERSTANDING THIS MIGHT BE HELPFUL IN PERMITTING IEG TO CONCLUDE THAT PROPERTY COULD BEST BE REGARDED AS NON-MILITARY AND USED FOR NON-MILITARY PURPOSES, THUS FACILITATING TRANSFER THROUGH USAID PROCEDURES.

6. NEXT ITEM ADDRESSED BY GROUP WAS STATUS OF NEGOTIATIONS BY PROJECT HOPE RELEVANT TO FUTURE ADMINISTRATION OF HOSPITAL. I EXPLAINED TO GROUP THAT DR. WALSH HAD MET WITH EMPEROR AND MINISTER OF PUBLIC HEALTH IN OCTOBER 1973 AND THAT EMPEROR AND MINISTER HAD INDICATED AGREEMENT FOR PROJECT HOPE TO TAKE OVER ADMINISTRATION OF HOSPITAL. I SAID MARC SCOTT DESIRED TO CONCLUDE HOPEFULLY PRIOR TO FEB 15, 1974, DETAILED AGREEMENT OR CONTRACT WITH MINISTRY OF PUBLIC HEALTH AND THAT HE CURRENTLY WAS NEGOTIATING WITH AUTHORITIES AT ADDIS ABABA IN THIS REGARD. I SAID THAT ON BASIS OF WALSH TALKS WITH EMPEROR AND MINISTER OF PUBLIC HEALTH AND SCOTT TALKS WITH AUTHORITIES AT ADDIS ABABA, I ASSUMED IT WAS INTENTION OF IEG TO NEGOTIATE DETAILED AGREEMENT OR CONTRACT WITH PROJECT HOPE, AND THAT I DID NOT FORESEE ANY SERIOUS DIFFICULTIES IN THIS REGARD. ALL ETHIOPIAN MEMBERS OF WORKING GROUP EXPRESSED SIMILAR VIEW. VICE MINISTER SOLOMON SAID THAT LETTER OF OCTOBER 25, 1973, SENT TO WALSH BY MINISTER OF PUBLIC HEALTH, IN FACT CONSTITUTED AGREEMENT IN PRINCIPLE, AND THAT IT WOULD APPEAR

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ACTION AF-18

INFO OCT-01 ISO-00 PM-07 NSC-10 SPC-03 SAM-01 SS-20 RSC-01

AID-20 CCO-00 OC-06 CIAE-00 INR-10 NSAE-00 L-03 IGA-02

OCL-00 EB-11 OMB-01 TRSE-00 H-03 DRC-01 /118 W

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P R 051300Z FEB 74

FM AMCONSUL ASMARA

TO SECSTATE WASHDC PRIORITY 2473

AMEMBASSY ADDIS ABABA PRIORITY

INFO SECDEF WASHDC
COMNAVTELCOMM WASHDC

C O N F I D E N T I A L SECTION 2 OF 2 ASMARA 0068

THAT ONLY THE DETAILS REMAINED TO BE WORKED OUT BETWEEN PROJECT HOPE AND IEG. I SAID THAT AMONG THESE DETAILS WOULD BE THE QUESTION OF COSTS TO BE INCURRED BY THE IEG, AND THAT SCOTT RECENTLY HAD PROVIDED THE AUTHORITIES IN ADDIS ABABA WITH AN ESTIMATED FIGURE (ETH \$308,400) THAT PROJECT HOPE WOULD EXPECT THE IEG TO PAY ANNUALLY FOR ELECTRICITY, WATER, AND GROUND RENT. BOTH VICE MINISTER SOLOMON AND COMPTROLLER FETENE EXPRESSED VIEW THAT IT WOULD BE REASONABLE FOR IEG TO ASSUME SUCH COSTS. HOWEVER, SOLOMON POUNDED OUT THAT USG HAS NOT YET GIVEN NOTICE OF INTENT TO ABANDON ANY SPECIFIC PORTIONS OF TRACT E AND THAT, PENDING TURN OVER OF PORTION OF TRACT E TO IEG, AUTHORITIES IN ADDIS ABABA MIGHT FIND IT DIFFICULT TO COMMIT ASSETS THEY DO NOT YET CONTROL. EVEN SO, HE EXPRESSED VIEW THAT AGREEMENT OR CONTRACT BETWEEN PROJECT HOPE AND IEG MIGHT BE CONCLUDED ON "IF AND WHEN" BASIS. I SAID I UNDERSTOOD INDICATION OF US INTENT IN THIS REGARD HAD BEEN PROVIDED IN RECENT LETTER FROM EMBASSY TO IEG (REF (C)). BOTH SOLOMON AND FETENE SAID THEY WOULD BE GLAD TO PROVIDE ANY POSSIBLE ASSISTANCE IN FACILITATING PROJECT HOPE NEGOTIATIONS IF THERE SHOULD BE ANYTHING THEY MIGHT BE ABLE TO DO, INCLUDING PRESSING OF MINISTER OF FINANCE TO AGREE TO NECESSARY FUNDING.

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7. NEXT, I SAID THAT WHILE I HAD NOT YET RECEIVED INFORMATION CONCERNING SPECIFIC AREAS OF TRACT E THAT US WOULD WISH TO RETAIN, I ASSUMED THAT I WOULD BE RECEIVING SUCH INFORMATION WITHIN THE NEXT MONTH OR SO. COMMANDER NOGGLE SAID HE HAD RECEIVED INFORMATION INDICATING THE AREA THAT THE USG PROBABLY WILL WANT TO RETAIN, AND THAT HE CURRENTLY IS ERECTING A FENCE TO SEPARATE THIS AREA FROM THE AREA THAT MAY BECOME AVAILABLE FOR TURN OVER TO THE IEG. AREAS IN QUESTION WERE INDICATED TO GROUP ON MAP, WITH EXPLANATION THAT FINAL DEMARCATION HAS NOT YET BEEN OFFICIALLY COMMUNICATED.

8. WE NEXT DISCUSSED QUESTIONS OF WATER AND POWER AT TRACTS A, F, AND PORTION OF TRACT E THAT MIGHT BE TURNED OVER TO IEG. I EXPLAINED THAT POWER PLANT AND WATER PLANT AT TRACT E WOULD CONTINUE TO BE OPERATED TO PROVIDE UTILITIES TO USG OPERATIONS THAT WOULD BE CONTINUING AT TRACTS TO BE RETAINED (B, D, TX, PART OF E, AND CONSULATE GENERAL), AND THAT INSTALLATIONS AND CHARACTERISTICS OF WATER AND POWER

FACILITIES AT TRACTS TO BE TURNED OVER TO IEG WOULD MAKE IT PERHAPS MORE PRACTICABLE TO HAVE WATER AND POWER SUPPLIED TO THESE TRACTS ON BASIS OF AGREEMENT WHEREBY WATER AND POWER FURNISHED TO TRACTS A, F, AND PORTION OF E COULD BE METERED AND REIMBURSABLE ON A MONTHLY BASIS BY IEG. THIS WOULD INCLUDE WATER AND POWER CONSUMED BY PROJECT HOPE. IT WAS MENTIONED THAT COST OF FACILITIES DP-TRACT E DURING FY73 HAD AMOUNTED TO US\$71,000, AND THAT PROVISION OF WATER AND ELECTRICITY TO IEG CONSUMERS AT TRACTS A, F, AND PORTION OF E, COULD AMOUNT FROM US\$100,000 TO US\$200,000 OR MORE, ANNUALLY. SOLOMON AND FETENE EXPRESSED VIEW THAT CONTINUED PROVISION OF WATER AND POWER TO RELD ARA TRACTS ON METERED AND REIMBURSABLE BASIS PROBABLY WOULD BE DESIRABLE, BUT THAT SOME PROBLEMS IN THIS REGARD WOULD HAVE TO BE RESOLVED. FETENE POINTED OUT THAT EXCEPT FOR USG FACILITIES OPERATED UFGVRMVH NSE INSTALLATIONS AGREEMENT AND PROVIDED TO US MILITARY CONSUMERS, LOCAL PRIVATE POWER COMPANY (SEDAO, WHICH IS ITALIAN CONTROLLED) ENJOYS A LEGAL MONOPOLY ON PROVISION OF ELECTRIC POWER THROUGHOUT ASMARA, AND THAT MUNICIPALITY ENJOYS MONOPOLY

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FOR PROVISION OF WATER. IF IEG DECIDES IT IS PREFERABLE TO PROVIDE WATER AND POWER FROM TRACT E TO TRACTS A, F, AND PORTION OF E TO BE TURNED OVER TO IEG ON METERED AND REIMBURSABLE BASIS, IT WOULD BE NECESSARY FOR IEG TO MAKE LEGAL PROVISIONS TO DO SO IN FACE OF UTILITY MONOPOLIES. COMMANDER NOGGLE POINTED OUT THAT WATER PROVIDED FROM TRACT E IS IN FACT OBTAINED FROM MUNICIPALITY AND MERELY TREATED AT TRACT E AND DISTRIBUTED TO OTHER TRACTS THROUGH PIPING SYSTEM. SOLOMON AND FETENE INDICATED THAT IF NECESSARY, ARRANGEMENTS PROBABLY COULD BE MADE TO OBTAIN WATER DIRECTLY FROM MUNICIPALITY, DEPENDING UPON TECHNICAL ASPECTS OF PIPING DISTRIBUTION SYSTEM, AND THAT QUESTION OF WATER THOUGH IMPORTANT IS NOT AS CRITICAL AS QUESTION OF ELECTRICITY. THEY EXPRESSED VIEW THAT IT WOULD BE DESIRABLE FOR IEG TO TRY TO CONTINUE TO OBTAIN ELECTRICITY FROM TRACT E BUT THAT IN THIS REGARD IEG WOULD HAVE TO DECIDE WHAT IT COULD DO LEGALLY FROM POINT OF VIEW OF SEDAO MONOPOLY. IT WAS POINTED OUT THAT COST OF ELECTRICITY FROM TRACT E IS SUBSTANTIALLY CHEAPER THAN COST FROM SEDAO, AND FETENE INDICATED THIS COULD BE AN IMPORTANT FACTOR TO IEG IN ITS CONSIDERATION OF THIS PROBLEM. IT

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Message Attributes

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